

**Form 5**  
**2006 Parks and Recreation Division Adopted Financial Plan (Levy Fund 1451)**

	2004 Actual <sup>1,12</sup>	2005 Adopted	2005 Estimated	2006 Adopted	2007 Projected <sup>1</sup>	2008 Projected <sup>1</sup>
<b>Beginning Fund Balance</b>	<b>0</b>	<b>1,272,331</b>	<b>1,726,378</b>	<b>1,757,361</b>	<b>1,921,073</b>	<b>2,103,933</b>
<b>Revenues</b>						
* Levy Proceeds <sup>2</sup>	11,249,663	11,641,836	11,650,367	12,029,005	12,389,867	12,442,956
* Delinquent Levy Collections <sup>3</sup>		120,793	120,793	164,772	202,268	208,786
* Interest <sup>4</sup>	26,353	14,191	21,817	34,646	50,677	53,946
* Regional/Rural Business Revenues <sup>5</sup>	3,287,018	3,953,612	3,506,835	4,386,839	4,606,181	4,836,490
* UGA Business Revenues <sup>5</sup>	968,418	697,693	614,021	244,516	212,379	222,998
* CX Transfer <sup>6</sup>	2,974,640	2,696,803	2,696,803	2,452,237	2,574,500	2,574,500
* CIP <sup>7</sup>	1,154,341	1,289,070	1,281,467	1,322,354	1,388,472	1,457,895
* Homeland Security Grant		185,329	185,329			
<b>Total Revenues</b>	<b>19,660,432</b>	<b>20,599,327</b>	<b>20,077,432</b>	<b>20,634,369</b>	<b>21,424,344</b>	<b>21,797,572</b>
<b>Expenditures</b>						
* Regional/Rural Levy-derived Expenditures <sup>8,13,14</sup>	(9,549,638)	(11,356,856)	(11,789,431)	(11,832,773)	(12,540,912)	(13,284,457)
* Regional/Rural Expenditures (Business Revenue-derived) <sup>8</sup>	(3,287,018)	(3,953,612)	(3,506,835)	(4,386,839)	(4,606,181)	(4,836,490)
* Urban Growth Area Expenditures (Business Revenue-derived)	(968,418)	(697,693)	(614,021)	(244,516)	(212,379)	(222,998)
* Urban Growth Area Expenditures (CX-derived) <sup>6</sup>	(2,974,640)	(2,751,840)	(2,751,840)	(2,501,944)	(2,627,041)	(2,627,041)
* CIP/Land Management Expenditures <sup>7</sup>	(1,154,341)	(1,289,070)	(1,281,467)	(1,322,354)	(1,388,472)	(1,457,895)
* ADOPS (now CPG) Expenditures <sup>9</sup>		(300,000)	(300,000)	(600,000)	(300,000)	(300,000)
* Homeland Security Grant Expenditures		(185,329)	(185,329)	0		
* Encumbrance Carryover			(26,637)			
* 2005 Flexible Benefits Rebate			36,057			
<b>Total Expenditures</b>	<b>(17,934,054)</b>	<b>(20,534,400)</b>	<b>(20,455,560)</b>	<b>(20,888,426)</b>	<b>(21,674,985)</b>	<b>(22,728,882)</b>
<b>Estimated Underexpenditures <sup>10</sup></b>		410,688	409,111	417,769	433,500	454,578
<b>Other Fund Transactions</b>						
<b>Total Other Fund Transactions</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Ending Fund Balance</b>	<b>1,726,378</b>	<b>1,747,946</b>	<b>1,757,361</b>	<b>1,921,073</b>	<b>2,103,933</b>	<b>1,627,200</b>
<b>Less: Reserves &amp; Designations</b>						
* Encumbrance Carryover	(26,637)					
* 2004 Unexpended ADOPS (now CPG) <sup>9</sup>			(300,000)			
<b>Total Reserves &amp; Designations</b>	<b>(26,637)</b>	<b>0</b>	<b>(300,000)</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Ending Undesignated Fund Balance</b>	<b>1,699,741</b>	<b>1,747,946</b>	<b>1,457,361</b>	<b>1,921,073</b>	<b>2,103,933</b>	<b>1,627,200</b>
<b>Target Fund Balance <sup>11</sup></b>	<b>1,494,505</b>	<b>1,695,756</b>	<b>1,689,186</b>	<b>1,740,702</b>	<b>1,806,249</b>	<b>1,894,073</b>

**Financial Plan Notes:**

<sup>1</sup> Parks 2004 Levy Subfund was a new fund in 2004. The voter-approved levy is for four years, ending in 2007.

<sup>2</sup> Levy Proceeds revised through 2007 by OMB August 2005. 2008 Projected revenues allow Parks to meet their Target Fund Balance. Because the current Parks levy expires in 2007 a new revenue source will be required in order to maintain park programs. Such a revenue source could be a renewal of the current voter-approved Parks levy or an alternative source yet to be determined.

<sup>3</sup> Delinquent Levy Collections revised through 2008 by OMB August 2005.

<sup>4</sup> Interest Earnings based on an interest rate of 3.225% in 2005 Adopted, 3.2% in 2005 Estimated, 4.1% in 2006, 4.75% in 2007 and 4.95% in 2008, with a 20 basis point investment service fee deducted. Based on monthly cash flow analysis.

<sup>5</sup> Growth rate of 5% for UGA and Regional/Rural Business Revenues in 2007 and 2008. 2006 UGA business revenue reduction due to anticipated Klahanie Annexation in 2006 and transfer of UGA pools (assumed to be 100% complete by 2007).

<sup>6</sup> 2006 UGA CX-derived Expenditures include reductions due to anticipated Klahanie Annexation and transfers of Evergreen and Renton pools to Northwest Center and \$16,554 for COLA (which is not subject to the 2% Underexpenditure). Growth rate of 5% for Urban Growth Area CX-derived Expenditures in 2007. No growth reflected for 2008. The CX Transfer is used to cover costs in the Urban Growth Area (UGA) per financial plan approved by King County Council in adopting levy ordinance 14586. CX Transfer Revenues are 98% of UGA Business-derived Expenditures.

<sup>7</sup> Transfers from Fund 3160 and 3490 (backed by REET 1 & 2) to support Capital & Land Management. 2007 and 2008 assume inflation of 5%. Note that CIP/Land Management Expenditures include some portion of UGA expenditures. These are not backed by CX funds or business revenues and are not included in the UGA Business Revenue-derived or UGA CX-derived Expenditures.

<sup>8</sup> Regional/Rural Levy-derived, Regional/Rural Business Revenue-derived, and Urban Growth Area Business Revenue-derived Expenditures inflated 5% in 2007 and 2008.

<sup>9</sup> Partially funds Community Partnerships and Grants (CPG) program, formerly Association Development Operations Partnerships (ADOPS) program. Additional funds are in Parks CIP. Funds designated for ADOPS (now CPG) that were not spent for ADOPS in 2004 are identified for potential programming in 2006. The division intends to reprogram any ADOPS (now CPG) funds not expended in 2005 to CPG activities in the future.

<sup>10</sup> Estimated Underexpenditures 2% of Total Expenditures. Estimated Underexpenditures include 2% Underexpenditure required for UGA Expenditures funded by CX Transfer

<sup>11</sup> Target Fund Balance is 1/12th of Total Expenditures (excluding Homeland Security Grant Expenditures).

<sup>12</sup> 2004 Actuals are per the 2004 CAFR. Regional/Rural and UGA categories correspond to revenues received and are tracked by the Parks Division.

<sup>13</sup> The voter-approved levy is for four years, ending in 2007. In order to maintain park programs, beginning in 2008, a new revenue source will be required to support Regional/Rural Levy derived Expenditures. Such a revenue source could be a renewal of the current voter-approved Parks levy or an alternative source yet to be determined.

<sup>14</sup> Regional/Rural Levy-derived Expenditures include an additional \$116,500 in 2006 and 2007, per financial plan approved by King County Council in adopting levy ordinance 14586 (assumes 5 additional trail miles at management cost of \$6,300/mile and 1000 additional natural lands acres at \$85/acre). Same methodology followed for 2008.